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BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

AZ CORP COMMISSION
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IN THE MATTER OF THE JOINT APPLICATION
OF SUN CITY WATER COMPANY AND SUN
CITY WEST UTILITIES COMPANY FOR
APPROVAL OF CENTRAL ARIZONA PROJECT
WATER UTILIZATION PLAN AND FOR AN
ACCOUNTING ORDER AUTHORIZING A
GROUNDWATER SAVINGS FEE AND
RECOVERY OF DEFERRED CENTRAL ARIZONA
PROJECT EXPENSES.

Docket Nos.: W-01656A-98-0577
SW-02334A-98-0577

SUN CITY WATER COMPANY'S
AND SUN CITY WEST
UTILITIES COMPANY'S
NOTICE OF FILING
SUMMARIES OF REBUTTAL
TESTIMONY

GALLAGHER & KENNEDY, P.A.
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In preparation for the January 9-10, 2002 hearings in this docket, Sun City Water
Company and Sun City West Utilities Company hereby file summaries for the rebuttal testimony
of Ronald Jackson, David Buras and Keith Larson docketed on July 31, 2001.

DATED this 7 day of January, 2002.

GALLAGHER & KENNEDY, P.A.

Arizona Corporation Commission

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DOCKETED BY	<i>mc</i>
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Original and ten copies filed this
7th day of January 2002, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

1 **Copy** of the foregoing hand-delivered
this 7th day of January 2002 to:

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3 Hearing Division
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SUMMARY OF REBUTTAL TESTIMONY FOR
RONALD JACKSON

- Mr. Jackson is Citizens' Supervisor of Planning and Special Projects. He served as Citizens Water Resources Project Manager for the Groundwater Savings Project (GSP) since February 2000. Mr. Jackson has responsibility over most aspects of the project including assembling and managing the design team, preparation and submission of the PER and facilitation of the Technical Advisory Committee.
- On behalf of Sun City Water Company and Sun City West Utilities Company, Mr. Jackson rebuts the direct testimony of Mr. Dennis Husted on behalf of the Sun City Taxpayers Association.
- Among other issues, Mr. Jackson testifies that, under Commission Decision No. 62293, the focus of this proceeding is whether Citizens' Preliminary Engineering Report (PER) adequately addresses three topics--(1) "the feasibility of a joint facility with the Agua Fria Division including the timeframe for any such joint facility;" (2) "the need for all major elements of [the] proposed plan (e.g., storage and booster stations);" and (3) "binding commitments from golf courses, public and private, and terms and conditions related thereto." In Mr. Jackson's professional opinion, the PER adequately and properly supports the GSP on the engineering issues.
- Mr. Jackson disagrees with Mr. Husted's opinions regarding the validity and accuracy of the PER. Among other things, Mr. Husted misstates the goals and objectives of the PER. In his testimony, Mr. Jackson also rebuts specific issues raised by Mr. Husted. Mr. Husted has raised no valid engineering criticisms of the PER in analyzing necessary elements of the project. Mr. Jackson also explains his supplemental PER.
- Finally, at the hearing in this matter, Mr. Jackson may address and rebut Mr. Husted's surrebuttal testimony.

SUMMARY OF REBUTTAL TESTIMONY FOR
DAVE BURAS

- Mr. Buras is vice president at HDR Engineering, Inc (HDR). He is HDR's Project Manager for the Groundwater Savings Project (GSP) design team. Mr. Buras rebuts certain issues raised by SCTA and Mr. Husted relating to the PER. Specifically, Mr. Buras testifies that the PER is an objective preliminary engineering review of the Groundwater Savings Project.
- Mr. Buras also rebuts concerns about the life cycle costs for the booster pump station and right of ways costs contained in the PER. In Mr. Buras' opinion, Mr. Husted's concerns about the validity of the PER are not supported by any valid engineering calculations or analyses.

- Mr. Buras further addresses the PER in relation to the Supplemental PER regarding participation of the private golf courses Hillcrest and Briarwood in Sun City West. Mr. Buras testifies that Mr. Jackson's supplemental report correctly analyzes the engineering data regarding the participation of Hillcrest Country Club. Further, the original PER and the Supplemental PER do not conflict on this issue.
- If necessary at the hearing in this matter, Mr. Buras may address Mr. Hustead's surrebuttal testimony.

SUMMARY OF REBUTTAL TESTIMONY FOR
KEITH LARSON

- Keith Larson is the Water Resources Manager for Citizens' water operations in Maricopa, Mohave, and Santa Cruz counties in Arizona. Mr. Larson's testimony rebuts opinions and testimony offered by Mr. Hustead related to certain water rights and related issues. Specifically, Mr. Larson rebuts Mr. Hustead's testimony relating to (1) expiration of certain General Industrial Use Permits (GIUPs) possessed by participating golf courses, (2) alleged benefits derived from the Groundwater Savings Project (GSP) unrelated to the Sun City aquifer and (3) stored water and water credits.
- As set forth in Mr. Larson's testimony, Mr. Hustead has raised no valid objections to the PER, the PER complies with Decision No. 62293 and the GSP should be approved.
- Finally, at the hearing in this matter, Mr. Larson may address and rebut Mr. Hustead's surrebuttal testimony.

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